

**立法會**  
**Legislative Council**

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**Paper for the House Committee meeting on 29 June 2018**

**Report of the Subcommittee on Public Bus Franchisees'  
Schedule of Routes Orders**

**Purpose**

This paper reports on the deliberations of the Subcommittee on Public Bus Franchisees' Schedule of Routes Orders ("the Subcommittee").

**Background**

2. Under section 5(1) of the Public Bus Services Ordinance (Cap. 230) ("the Ordinance"), the Chief Executive ("CE") in Council may grant to a registered company the right to operate public bus service on such routes as specified by order (i.e. a Schedule of Routes Order). The routes so specified form the franchised bus networks of the respective bus franchises.<sup>1</sup>

3. According to the Administration, to meet the changing passenger demand and to improve the efficiency of franchised bus operation, the franchised bus networks need to be adjusted from time to time. Section 15(1) of the Ordinance provides, among other things, that the Commissioner for Transport ("Commissioner") may, after consultation with the franchised bus companies, require them to introduce new routes and make alterations to specified routes on a temporary basis. According to section 15 of the Ordinance, such changes may take effect for a period of up to 24 months unless they are specified in orders made by CE in Council under section 5(1) of the Ordinance before the expiry of that period.

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<sup>1</sup> At present, there are six franchises for bus services in Hong Kong operated by five bus companies, namely, Citybus Limited, Kowloon Motor Bus Company (1933) Limited, Long Win Bus Company Limited, New Lantao Bus Company (1973) Limited, and New World First Bus Services Limited.

## **The Schedule of Routes Orders (L.N. 83 to L.N. 88 of 2018)**

4. According to paragraph 4 of the Legislative Council ("LegCo") Brief, the service changes as stated in paragraph 4(a) to 4(e) below were made by the franchised bus companies between 1 August 2016 and 31 December 2017. To reflect such changes, CE in Council made six new Schedule of Routes Orders (i.e. L.N. 83 to L.N. 88 of 2018) ("the six Orders") to respectively repeal L.N. 1 to L.N. 6 of 2017 and specify the updated schedule of bus routes of the franchised bus companies in L.N. 83 to L.N. 88 of 2018 so that these changes can continue to take effect. The changes are as follows:

- (a) Kowloon Motor Bus Company (1933) Limited introduced 24 new routes, cancelled two routes and made alteration to 105 routes;
- (b) Citybus Limited (which operates two bus franchises) introduced two new routes and made alterations to 18 routes under the franchise for Hong Kong Island and the cross-harbour bus network. It introduced two new routes and made alterations to eight routes under the franchise for Airport and North Lantau bus network;
- (c) New World First Bus Services Limited introduced eight new routes, cancelled two routes and made alterations to 17 routes;
- (d) Long Win Bus Company Limited introduced seven new routes, cancelled one route and made alterations to nine routes; and
- (e) New Lantao Bus Company (1973) Limited made alterations to one route.

5. According to the Administration, the District Councils ("DCs") concerned had been consulted on the major service changes before such changes were introduced under section 15(1) of the Ordinance. Suggestions from DC members had been taken on board where justified.

6. The six Orders, published in the Gazette on 18 May 2018, were tabled before LegCo at its meeting of 23 May 2018 and are subject to the negative vetting procedure. The six Orders will come into operation on 31 July 2018.

## **The Subcommittee**

7. At the House Committee meeting held on 25 May 2018, Members agreed to form a subcommittee to study the six Orders. The membership list of the Subcommittee is in the **Appendix**. Under the chairmanship of Hon Frankie

YICK, the Subcommittee held a meeting on 13 June 2018 to examine the six Orders.

8. The Subcommittee Chairman moved a motion at the Council meeting of 20 June 2018 to extend the scrutiny period to the Council meeting of 11 July 2018. The motion was passed.

### **Deliberations of the Subcommittee**

9. The Subcommittee generally supports the six Orders. In the course of deliberations, the Subcommittee has examined the justifications and considerations for making adjustments to bus networks; issues relating to consultation with the DCs and the means to enhance the performance of franchised bus services. The deliberations are summarized in the ensuing paragraphs.

#### Justifications and considerations for making adjustments to bus networks

10. The Subcommittee notes that a franchised bus network needs to be adjusted from time to time to meet the changing transport needs of the community. Route changes would first be implemented temporarily under section 15 of the Ordinance, under which the Commissioner may, after consultation with the bus companies, require them to introduce new routes or alter existing routes on a temporary basis where appropriate. Such route changes can take effect for a period of up to 24 months only. For the route changes to remain in operation after the 24-month period, the routes changes concerned have to be reflected in an Order made by the CE in Council under section 5(1) of the Ordinance before the expiry of the 24-month period.

11. The Subcommittee has asked if there is any standard practice or procedure to review the operation of the bus routes concerned (including the efficiency of the operation and its impact on passengers) after the temporary changes of bus routes have been made but before specifying any of these changes in a Schedule of Routes Order made under section 5(1) of the Ordinance; and if so, the average time required for such review. The Administration has advised that the CE in Council makes a new set of Schedule of Routes Orders around every 18 to 24 months while it is part of the on-going work of the Transport Department ("TD") in closely monitoring the operation of bus routes, whether or not temporary changes were introduced on the route concerned. For this round, Orders are made in respect of changes made between 1 August 2016 and 31 December 2017. Insofar as the routes specified in the six Orders are concerned, there has been a period of at least around six months or on average 12 to 18 months of actual operation of the bus routes where changes were made between August 2016 and December 2017.

12. The Subcommittee notes the TD's on-going efforts in coordinating with the franchised bus companies on bus route rationalization to meet changing passenger demand, to optimize the use of bus and road resources and to improve efficiency of the franchised bus companies. As an annual exercise, franchised bus companies will submit to TD their route planning programmes, which include proposals to introduce new services, to adjust the frequency, routing and operating hours of existing routes, or to cancel or amalgamate routes with persistently low patronage.

13. Several members have stressed that when considering proposals for service reduction, the transport needs of the local community should be the prime consideration. The Subcommittee has thus enquired how the Administration would monitor and assess the effectiveness and impact of route changes made by franchised bus companies and balance the interests of different stakeholders. A member, whilst acknowledging that the financial viability of franchised bus companies should be maintained, has expressed that franchised bus companies should not look at the profit(s) only when working out bus rationalization plans. The member has questioned whether franchised bus companies are using the tactic of proposing frequency improvement or operation of new bus route(s) at the expense of other route(s) being cut or reduced. The member has asked whether the Administration has endorsed such tactic of the franchised bus companies when considering their bus rationalization plans.

14. The Administration has responded that in devising the route planning programmes for districts or regions, TD will take into account a wide range of factors such as changes in passenger demand, timing of population intakes in new development areas as well as the commencement of new infrastructural facilities etc. The Administration further advises that TD and franchised bus companies have adopted, in the past few years, an "area approach" to review bus service holistically for a district or area as a whole with a view to maximizing the overall benefits to the community. Nevertheless, the financial viability and resources of the franchised bus companies would also be taken into consideration. The Administration has highlighted that despite the commissioning of new railway lines in the past few years, there was an overall growth of about 200 buses in Hong Kong.

15. The Subcommittee has discussed whether the threshold for considering frequency improvement during peak period as specified in the Guidelines on Service Improvement and Reduction in Bus Route Planning Programmes could be more flexibly handled. It is noted that if the occupancy rate of any bus route reaches 100% during any half hour of the peak period and 85% during that one hour, TD will then consider the deployment of more buses to enhance the service level. A member has quoted the example of airport bus routes, where passengers' luggage will occupy considerable space for standees and passageway inside the bus compartment and even some of the seats on the buses and therefore

it will be difficult to reach the threshold occupancy rate mentioned above. As a result, it will be hard to justify the need of deploying more buses for the routes.

16. TD advised that they have been applying the guidelines with some flexibility by taking into account the actual operational arrangements and passenger demand of individual route. TD would closely monitor the situation of the routes for which there have been a persistently high occupancy rate and work out frequency improvement plan as appropriate instead of just allowing adding of service to routes for which the threshold has been reached.

#### Consultation with the District Council ("DCs")

17. Some members have expressed that they received many complaints about bus rationalization despite the fact that the DCs have been consulted on the major service changes before the changes are introduced under section 15(1) of the Ordinance. They said that the comments on and objections to some of the changes raised by DC members were not taken into account and that not all the passengers' need of the local community could be addressed for most of the time. Suggestions by DCs on further adjustments to those changes, in particular keeping under-utilized bus routes intact, have been neglected by franchised bus companies.

18. Members opine that franchised bus companies should consider cross-subsidizing those under-utilized bus routes (especially those operating in areas not being covered by railway network) from the operation of other profit-making routes to cater for the transport needs of local communities, say the needs of the elderly. The Administration has been strongly urged to improve and encourage better consultation arrangements and communications with DCs and DC members in this respect. Among others, full explanation should be given by TD to DCs on why some of DCs' suggestions could not be taken on board. The Administration notes Members' concerns and indicates that TD attaches great importance to DCs' views and will continue to strengthen the communication with DCs.

#### Means to enhance the performance of franchised bus services

19. The Subcommittee has suggested franchised bus services should be enhanced for those areas without direct railway access and that franchised bus services will remain to be the major public transport means for those districts. The Subcommittee has suggested the Administration to consider the introduction of new green minibus routes in areas where the under-utilized bus routes have been cancelled to cater for the need of commuters.

20. A member has suggested that in working out the bus rationalization plans, the Administration should make use of strategic studies and/or surveys on

transport matters, including the collection of big data on the daily travel pattern of commuters. With such big data, bus rationalization plans could be worked out in a more comprehensive and effective manner.

### **Recommendation**

21. The Subcommittee raises no objection to the six Orders. Both the Subcommittee and the Administration will not propose any amendment to the six Orders.

### **Advice sought**

22. Members are invited to note the deliberations of the Subcommittee.

Council Business Division 4  
Legislative Council Secretariat  
28 June 2018

**Subcommittee on Public Bus Franchisees'  
Schedule of Routes Orders**

**Membership list**

**Chairman** Hon Frankie YICK Chi-ming, SBS, JP

**Members** Dr Hon CHIANG Lai-wan, JP  
Hon Andrew WAN Siu-kin  
Hon CHU Hoi-dick  
Hon Holden CHOW Ho-ding  
Hon Jeremy TAM Man-ho  
Hon Vincent CHENG Wing-shun, MH  
Hon Tony TSE Wai-chuen, BBS

(Total : 8 Members)

**Clerk** Ms Sophie LAU

**Legal Adviser** Miss Evelyn LEE